



# APPROPRIATIONS UPDATE

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## CONTINUING APPROPRIATIONS FOR FISCAL YEAR 2002 (H.J. RES. 65)

### SUMMARY

H.J.Res. 65 provides an interim, or “continuing,” appropriation for the first 15 days of fiscal year 2002, which begins on 1 October 2001. For any given program or project, this continuing resolution [CR] lapses either on 16 October or when a regular appropriation bill for that project or activity is enacted, whichever comes first. The resolution, which passed the House on 24 September 2001, was necessary because none of the 13 regular appropriations bills will be enacted by the beginning of the new fiscal year.

The CR encompasses all projects and activities funded in the current fiscal year by fiscal year 2001 appropriations acts. It would not encompass activities and projects proposed by the

President or passed by the House that have not become law. The CR does not apply to entitlement benefits whose funding is determined by the relevant authorizing law; but it does apply to the administrative expenses of some of the agencies that administer entitlement benefits, such as the Social Security Administration.

Appropriations provided by this resolution are subject to any terms and conditions that applied to the appropriations in fiscal year 2001. If the Department of Health and Human Services was precluded from obligating money for a specific type of grant in fiscal year 2001, then it would be subject to the same restriction in the first 15 days of fiscal year 2002.

### LEVEL OF THE CR/BUDGETARY IMPACT

Instead of specifying a fixed dollar appropriation for each project or activity, the joint resolution provides that the appropriation for any project or activity is equal to the rate of operations in effect for the *current* fiscal year. Hence it is termed a “current-rate” CR. For any given project or activity, the current rate is the percentage of the appropriation that was available for the agency to obligate over a 15-day period in the current fiscal year (fiscal year 2001).

Further, spending designated as an emergency requirement is treated the same as nonemergency spending in determining both the amounts available for agency spending and the annualized cost. As a result, the \$20 billion in emergency spending contained in the recently enacted bill providing funds to respond to the 11 September 2001 terrorist attack (H.R. 2888) is included as though it were recurring, nonemergency spending.

The Congressional Budget Office [CBO] has not completed an estimate of the bill because of uncertainty over the scoring of the recently enacted supplemental appropriation. Nevertheless, if appropriations were provided for the entire year at the rate of operations reflected in the continuing resolution, fiscal year 2002 appropriations would likely exceed, by a small amount, the Appropriations Committee’s 302(a) allocation designated in the budget resolution for fiscal year 2002. The annualized level of this CR, however, would be slightly below the President’s requested level.

But operating Government under a less-than-full-year CR does not produce savings. Amounts spent during the term of a temporary CR are charged against the subsequently enacted appropriations for each project or activity, and the agency in charge of the project or activity has the remainder of the year to make up for spending lost during the duration of the CR.

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This document was prepared by the majority staff of the House Committee on the Budget. It has not been approved by the full committee and may not reflect the views of all the committee’s members.

The general assumption is that agencies will be able to adjust spending after enactment of full-year appropriations so as to reach the higher levels of spending. Hence, if the Congress and the President were to enact appropriations at the level of

the President's request on 16 October, the full-year cost would be at the level of that request, rather than at 2 weeks of a lower spending level and 50 weeks of the higher spending level.

<b>Continuing Appropriations for Fiscal Year 2002</b> (fiscal years; billions of dollars)				
	<b>2001 Enacted</b>	<b>Administration 2002 Request</b>	<b>302(a) for 2002</b>	<b>2002 CR</b>
Budget Authority	660.5	678.0	662.7	663.0 <sup>a</sup>
Outlays	647.3	709.0	694.9	699.1 <sup>a</sup>
<sup>a</sup> Estimated annualized cost.				

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